

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to  
Continue the Development of Rates  
and Infrastructure for Vehicle  
Electrification.

Rulemaking 18-12-006  
(Filed December 13, 2018)

**COMMENTS OF THE VEHICLE-GRID INTEGRATION COUNCIL ON  
THE PROPOSED DECISION ON TRANSPORTATION  
ELECTRIFICATION POLICY AND INVESTMENT**

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Vehicle-Grid Integration Council (“VGIC”) <sup>1</sup> hereby submits these comments on the *Proposed Decision on Transportation Electrification Policy and Investment*, issued on October 14, 2022.

**I. INTRODUCTION.**

VGIC commends Energy Division (“ED”) staff’s diligent efforts in developing the sweeping Proposed Decision (“PD”), including the establishment of the statewide Funding Cycle 1 (“FC1”) rebate program to facilitate transportation electrification (“TE”) infrastructure deployment. While VGIC is encouraged by the Vehicle-Grid Integration (“VGI”) Strategy and VGI Forum concepts that were absent from the TE Staff Proposal but added to the PD, we remain concerned that several critical opportunities to maximize the use of feasible and cost-effective VGI per Senate Bill (“SB”) 676 are being overlooked, including establishing a robust portfolio of utility

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<sup>1</sup> VGIC member companies and supporters include American Honda Motor Co., Inc., Customized Energy Solutions, dcbe1, Enel X North America, Inc., ENGIE NA, Fermata Energy, FlexCharging, FLO EV Charging, Ford Motor Company, FreeWire Technologies, Inc., General Motors, Kaluza, Nissan Group of North America, Nuvve Holding Corporation, Sacramento Municipal Utility District, Stellantis, Sunrun, Switch EV Ltd, The Mobility House, Toyota Motor North America, Inc., Veloce Energy, Inc., Wallbox USA Inc., and WeaveGrid. The views expressed in these Comments are those of VGIC, and do not necessarily reflect the views of all individual VGIC member companies or supporters. (<https://www.vgicouncil.org/>)

VGI programs and rate offerings. It has been over three years since SB 676 was signed into law and nearly two full years since the Commission adopted the VGI Strategies Decision 20-12-029, yet most of California’s 1 million electric vehicle (“EV”) drivers and fleets remain without access to a mass-market VGI program, VGI rate, or incentive.<sup>2</sup> Based on our understanding, the following limited VGI offerings are currently available to customers, only one of which is not a pilot:

VGI Offering	Offering Type	Status
Emergency Load Reduction Program EV/VGI Aggregation <sup>3</sup>	Emergency DR Program	Pilot
PG&E VGI Pilots <sup>4</sup>	Technology Incentive and Rate	Pilot
PG&E evPulse <sup>5</sup>	Telematics-based Managed Charging	Pilot
PG&E BMW ChargeForward, GM V2X Pilot, Ford V2X Pilot <sup>6</sup>	Non-Ratepayer Funded Pilots	Pilot
SCE RATES Pilot <sup>7</sup>	Rate	Pilot
SDG&E V2G School Bus Pilot <sup>8</sup>	Infrastructure Funding	Pilot
SDG&E Power Your Drive VGI Rate <sup>9</sup>	Rate	Limited to L2 charging at 200 Workplace and Multi-Unit Dwellings sites installed under \$43 million PYD make-ready program

Meanwhile, of the approved and forthcoming VGI offerings, only one is not a pilot: PG&E’s Dynamic Commercial EV Charging Rate.<sup>10</sup> Given the state’s ambitious EV deployment goals and regulations, it is important that the Commission clarify how California will evolve from its existing patchwork of VGI pilots to full-scale programs and optional rates that fully leverage flexible EV

<sup>2</sup> While TOU rates promote off-peak charging, this is the baseline assumption used for California’s modeling efforts, and VGIC believes implementing TOU rates alone would forego considerable opportunity for both load reduction and exports.

<sup>3</sup> <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/demand-response-dr/emergency-load-reduction-program>

<sup>4</sup> <https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-supports-transportation-electrification-with-approval-of-pge-vgi-pilots>

<sup>5</sup> [https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC\\_6226-E.pdf](https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_6226-E.pdf)

<sup>6</sup> <https://cleantechnica.com/2022/03/13/ford-gm-pge-to-begin-vehicle-to-grid-trials/>  
<https://www.utilitydive.com/news/pge-bmw-smart-charging-pilot-highlights-potential-for-electric-vehicles-a/600958/>

<sup>7</sup> <https://www.dret-ca.com/wp-content/uploads/2022/05/SCE-AL-4684-E-Non-Standard-Disposition-letter.pdf>

<sup>8</sup> <https://www.sdgenews.com/article/vehicle-grid-pilot-leveraging-big-batteries-electric-school-buses-support-grid>

<sup>9</sup> <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M378/K429/378429298.PDF>

<sup>10</sup> <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M424/K557/424557371.PDF>

charging and discharging capabilities to contribute to California’s increasingly challenged grid. VGIC respectfully requests that the Commission modify this PD to provide this clarity, building upon the well-established record in this proceeding. Absent a concerted focus on VGI and a cohesive portfolio of VGI offerings, the Final Decision would not only represent a missed opportunity to unlock millions of EVs as grid resources whilst the grid continues to face reliability challenges, but also fail to meet the goals and intent of both SB 676 and the VGI Strategies Decision 20-12-029.

With this in mind, VGIC has identified several enhancements and modifications to the PD that would better support California’s broader TE and climate goals, summarized below:

- The Commission should adopt a VGI strategy that sets specific targets and milestones based on the record in this proceeding and the policy imperative established by SB 676.
- Tier 2 Advice Letters resulting from the Annual VGI Forum should be broadly applicable to VGI topics, rather than being restricted to Funding Cycle 1 and other existing TE rebate program modifications.
- The rebate guidelines should acknowledge the incremental capabilities of bidirectional chargers and require varying rebate levels for bidirectional chargers based on power ratings (e.g., higher incentive for a bidirectional charger relative to a unidirectional charger with the same power rating).
- The PD should clarify that marketing, education, and outreach (“ME&O”) efforts may include partnerships between the FC1 third-party administrator and automakers or EV service providers.
- The PD should remove certain minimum EVSE data-sharing requirements that are not based on clear justification and offer no explanation of how confidential data will be used.
- The PD overlooks the extensive argument in support of retaining D.20-12-029’s ALM provisions and establishing an ALM incentive.
- The PD’s revised ALM definition should not be adopted, and stakeholders should be convened to develop a consensus definition that fits within the vision of SB 676.

## **II. RECOMMENDED MODIFICATIONS TO THE PROPOSED VGI STRATEGY AND FORUM**

- A. *The Commission should adopt a VGI strategy that sets specific targets and milestones based on the record in this proceeding and the policy imperative established by SB 676.***

VGIC agrees with the PD’s assertion that “we find it appropriate to establish strategic focus areas for VGI: (1) rates and demand flexibility programs; (2) technology enablement; and (3) planning.”<sup>11</sup> For the first strategic focus area, the PD refers to the Advancing Demand Flexibility through Rates Rulemaking (“R.”) 22-07-055 as a dedicated venue to advance leadership on rates. The PD describes that the second strategic focus area will be explored through the VGI Forum and that “investor-owned utilities (“IOUs”) will have a significant role to play in the enablement of VGI technology, including establishing interconnection standards and supporting the development of performance requirements for VGI equipment.”<sup>12</sup> Lastly, the PD explains that the third strategic focus area is already underway as the Commission continues to coordinate with other state agencies across “various proceedings and processes” to ensure VGI is adequately considered.

VGIC urges the Commission to adopt specific VGI targets and milestones to guide progress and yield meaningful market development results within each of the three strategic focus areas. Moreover, the Commission should consider formalizing the strategic focus areas through a “Goals-Outcomes-Metrics” framework, as detailed in VGIC’s Comments on the Draft TE Framework.<sup>13</sup> Per SB 676, the **Goal** is indisputably to “maximize the use of feasible and cost-effective VGI by January 1, 2030.” The **Outcome**, in turn, should be to make VGI programs and rates available to customers, and the appropriate **Metric** by which to measure progress toward this Outcome would be to understand what percentage of customers are participating in a VGI program or rate. To accomplish the Outcome, the Commission should set a **Target** of 100% of customers having

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<sup>11</sup> PD at 162.

<sup>12</sup> PD at 162.

<sup>13</sup> Comments of Vehicle-Grid Integration Council on the Transportation Electrification Framework (Sections 3.4 And 11.3). Pages 3-10.

access to an optional VGI program or rate by 2027<sup>14</sup> and should consider setting interim targets along the way to track progress toward the outcome. Critically, this target should not be satisfied simply by enrolling customers on TOU rates, which would fail to maximize VGI by leaving critical load reduction and export opportunities untapped and unutilized. Adopting such a framework will send a much-needed signal to the industry that California is prepared to evolve from the current paradigm of seemingly endless pilots to a new era of mass-market programs and rate offerings that meaningfully leverage flexible EV charging and discharging at scale.

**B. Tier 2 Advice Letters resulting from the Annual VGI Forum should be broadly applicable to VGI topics, rather than being restricted to Funding Cycle 1 and other existing TE rebate program modifications.**

VGIC strongly supports the establishment of an annual VGI Forum to gather the relevant stakeholders to co-develop solutions to overcome critical VGI market development barriers. This much-needed venue will provide a consistent opportunity for utilities, VGI solution providers (including automakers and charging companies), customer groups, and other key stakeholders to raise issues and share best practices from real-world deployment around the country. The PD states that following each VGI Forum, “the IOUs shall propose any changes to the FC1 program based on the VGI Forum’s discussion and the subsequent workshop reports through the Tier 2 Advice Letter filing.”<sup>15</sup> The PD also states that IOUs may file separate Tier 2 Advice Letters, where appropriate, to propose any changes to other existing TE rebate programs. First, VGIC strongly supports the inclusion of both FC1 and existing TE rebate programs changes in the Tier 2 Advice Letter process. VGIC has flagged several critical deficiencies in existing TE rebate program design within this proceeding that severely limit the VGI market, including:

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<sup>14</sup> SB 676 suggests a 2030 target, however VGIC believes it would be appropriate to set a more aggressive target to better align with the more pressing grid reliability and EV deployment challenges that California faces.

<sup>15</sup> PD at 165.

- Lack of incremental incentives for bidirectional charging equipment that is needed to support grid reliability, including during extreme heat events.<sup>16</sup>
- Requirements that funded chargers be ISO 15118-capable, thereby excluding over 30,000 bidirectional-capable Nissan LEAF owners from receiving rebates and providing exports to support the grid.<sup>17</sup> Notably, this undermines the critical technology neutrality provision of SB 676, PUC § 740.16(b)(2) which states “[VGI] Strategies shall not require the use of any specific technology.”<sup>18</sup>
- Requiring all make-ready rebate recipients take service under a new meter and service drop, which limits opportunities for bidirectional use cases (i.e., V2B customer bill management and V2B backup power), extends the energization timeline, excludes customers with physical constraints that cannot accommodate new meter or service, and misses opportunities to deploy more chargers for each segment (e.g., L2, DCFC) using a fixed amount of ratepayer funding.<sup>19</sup> Although the Submetering Decision 22-08-024 was a positive development and can be expected to yield increased EV rate participation from co-mingled EV and site load, existing TE rebate programs remain exclusive to separately-metered EVSE.

With this in mind, VGIC strongly supports the provision that IOUs may file a Tier 2 Advice Letter to propose any changes to existing TE rebate programs in response to findings from each VGI Forum. However, VGIC posits that barriers emerging from VGI Forum discussions will not be limited to FC1 and existing TE rebate program design. For example, barriers to maximizing VGI may relate to metering, interconnection, standards, rate design, program design (other than existing TE rebate programs and FC1), marketing, education, and outreach, and other topic areas not considered within the scope of existing TE rebate programs and FC1 but that could be materially addressed through a targeted Tier 2 Advice Letter. Therefore, VGIC strongly recommends that Tier 2 Advice Letters filed as a result of VGI Forum discussion and workshop reports be permitted

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<sup>16</sup> Comments of VGIC on Staff Proposal at 7-10.

<sup>17</sup> Comments of VGIC PEV Submetering Proposed Decision at 10-11.

<sup>18</sup> Public Utilities Code 740.16(b)(2)

<sup>19</sup> Comments on Staff Proposal of AEE at 7, EDF Renewables at 4, SBUA at 16, VGIC at 10. Reply Comments on Staff Proposal of VGIC at 6-10.

to apply to VGI-related policies, programs, rates, and rules broadly, rather than limiting applicability to FC1 and existing TE rebate programs.

**III. RECOMMENDED MODIFICATIONS TO THE PROPOSED FC1 ADMINISTRATION, INCLUDING REBATE DESIGN, MARKETING, AND TECHNICAL REQUIREMENTS**

- A. *The rebate guidelines should acknowledge the incremental capabilities of bidirectional chargers and require varying rebate levels for bidirectional chargers based on power ratings (e.g., higher incentive for a bidirectional charger relative to a unidirectional charger with the same power rating).***

In Section 4.3.2.3, the PD establishes guidelines to apply in setting rebate levels, including “vary rebate levels based on power capacity (i.e., Level 2 vs DCFC)” for both LD rebates and MDHD rebates. The requirement that rebate levels should differ based on power capacity is based on the assumption that Level 2 and DCFC chargers bring varying levels of capability to the customer EV charging experience and associated costs. Moreover, bidirectional charging can deliver broad societal benefits providing resiliency and contributing to a reliable grid. Meanwhile, comments from several parties support the consideration of incremental capabilities of bidirectional chargers in the rebate design.<sup>20</sup> VGIC believes the rationale for varying rebate levels based on power capacity can be similarly applied to bidirectional and unidirectional chargers: each charger type brings varying levels of capability to the customer EV charging experience and associated costs. With this in mind, and the considerable record providing justification for offsetting the incremental costs of bidirectional chargers,<sup>21</sup> VGIC strongly recommends the Commission include the following additional guideline for setting LD and MDHD rebate levels:

- “Vary rebate levels based on bidirectional charging capability (*i.e.*, unidirectional vs bidirectional)”

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<sup>20</sup> Comments of on Staff Proposal of AEE at 14, Nuvve at 5, VGIC at 7. Reply Comments of Fermata at 9.

<sup>21</sup> *Ibid.*



Similar to the VGI topics noted above in Section II of VGIC’s comments, the potential to unlock latent energy storage capacity through this modification to the PD, and the risk of missing the opportunity to do so, must not be overlooked if the Commission wishes to fulfill the vision of SB 676. California continues to face dire grid reliability challenges due to extreme heat events and foregoing the opportunity to deploy chargers capable of discharging thousands of megawatts from millions of EV batteries to provide emergency grid capacity would be a considerable misstep at this time forgoing significant benefits to California ratepayers.

**B. The PD should clarify that marketing, education, and outreach (“ME&O”) efforts may include partnerships between the FC1 third-party administrator and automakers or EV service providers.**

In Section 3 discussing *Issues from the Draft TEF Not Included in the Staff Proposal*, the PD makes note that SANDAG advocates for public-private partnerships to advance ME&O efforts, while “VGIC similarly asserts that EVSPs could provide a valuable avenue for direct customer education on rates, programs, and ME&O focused on VGI.”<sup>22</sup> The PD finds this to be reasonable, stating: “We also agree with parties’ arguments that public-private partnerships can advance ME&O efforts; therefore, we find that the ME&O performed within the FC1 rebate program would benefit from public-private partnerships.”<sup>23</sup> VGIC seeks clarity regarding this statement and whether automakers, charging providers, and other third-party service providers will be invited to partner with the FC1 administrator on ME&O. These entities may have stronger existing customer relationships through installed mobile phone apps or connected vehicle infotainment systems and would constitute efficient and effective outreach channels.<sup>24</sup> VGIC recommends the Commission require the FC1 administrator to seek partnerships with these entities for ME&O, specifically for

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<sup>22</sup> PD at 60.

<sup>23</sup> PD at 61.

<sup>24</sup> VGIC Reply Comments on Draft TEF Chapters 6 and 11 at 9.

VGI programs, rates, and other offerings. The Commission should consider what budget should be allocated to fund these uniquely high impact ME&O partnerships. Moreover, VGIC questions whether these partnerships should be limited to FC1, and recommends the Commission consider requiring IOUs to fund ME&O partnerships with automakers and EV service providers using existing TE program budgets, in addition to FC1.

**C. The PD should remove certain minimum EVSE data-sharing requirements that are not based on clear justification and offer no explanation of how confidential data will be used.**

VGIC appreciates that data sharing can be valuable in recording specific metrics and tracking progress toward defined policy outcomes. However, the PD requires the following: “EVSPs shall share, confidentially if needed, the cost of networking and maintenance packages they offer to customers,”<sup>25</sup> yet the underlying justification and details for how this data will be used are not provided or referenced in the PD. First, the PD does not specify whether this data must be shared with the IOUs, Program Administrator, CPUC, CEC, or some combination of these entities. Second, the PD offers no reasoning as to why this data is needed, and VGIC questions whether the CPUC holds the appropriate jurisdiction to require this data from third-parties (i.e., EVSPs) other than the IOUs. Earlier TE rebate programs, such as Charge Ready, may have benefited from collecting this data, since they provided networking cost rebates for customer-owned stations to create a level playing field with utility-owned options. However, since FC1 will not permit utility-owned options and instead focuses on deploying infrastructure, VGIC urges the Commission to remove this minimum requirement and asserts that the PD does not provide adequate justification for collecting this confidential and competitive data from EVSPs.

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<sup>25</sup> PD at 175.

#### **IV. RECOMMENDED MODIFICATIONS TO THE PROPOSED CHANGES TO THE COMMISSION'S POLICY ON AUTOMATED LOAD MANAGEMENT**

VGIC appreciates ED staff's engagement on the issue of ALM, which has understandably taken a backseat to more pressing VGI issues before the Commission D.20-12-029. Nevertheless, ALM presents an important opportunity to avoid undue and inequitable ratepayer costs, accelerate EVSE deployment, promote market-based solutions, align TE policy with state agency directives, and free up grid capacity for non-TE electrification efforts and distributed energy resources. However, VGIC is concerned that the PD's ALM provisions, including the updated definition and proposed modifications to Ordering Paragraphs 5 and 6 in D.20-12-029 constitute a material reversal of the Commission's progress to date on ALM. VGIC believes the PD contains material omissions related to the justification for making these modifications, and ultimately views these as steps that inadvertently undermine the requirements in SB 676, overlook the record developed in this proceeding, and overturn previous Commission directives without sufficient justification.

##### **A. The PD overlooks the extensive argument in support of retaining D.20-12-029's ALM provisions and establishing an ALM incentive.**

PD Section 4.3.8.1.4 explores the topic of considering ALM, but does not adequately capture the foundational reasoning for retaining the D.20-12-029's ALM provisions and offering an ALM incentive, listed below and constructed throughout the previous three years of this rulemaking:

**i. SB 676 Requirement** As a general matter, SB 676 requires the CPUC to "establish strategies to maximize feasible and cost-effective VGI" and states that VGI "means any method of altering the time, charging level, or location at which... electric vehicles charge...in a manner that...provides net benefits to ratepayers by doing any of the following...(B) Avoiding otherwise necessary

distribution infrastructure upgrades.”<sup>26</sup> In response to this statutory requirement, the Commission adopted strategies in D.20-12-029 to provide these net benefits to ratepayers and maximize VGI, including adopting ALM as a near-term VGI strategy pursuant to SB 676 and directing IOUs to take specific ALM-related actions in Ordering Paragraphs 5 and 6. SB 676 also requires the Commission to reference the VGI strategies adopted in D.20-12-029 in “ongoing and subsequent proceedings that address issues of transportation electrification...and shall identify how programs and investments that the Commission may approve will advance the achievement of the strategies.”<sup>27</sup> VGIC considers the statute to be unambiguous, and questions whether the PD’s proposed modification to the definition, OPs 5 and 6, and the PD’s lack of development of an ALM incentive is sensible given these clear statutory requirements.

**ii. CalGreen stakeholder consensus and implementation of ALM** Since the adoption of D.20-12-029, the California Green Building Standards Code (“CalGreen”) has embraced ALM, stating:

“When low power Level 2 EV charging receptacles or Level 2 EVSE are installed beyond the minimum required, an automatic load management system (ALMS) may be used to reduce the maximum required electrical capacity to each space served by the ALMS. The electrical system and any on-site distribution transformers shall have sufficient capacity to deliver at least 3.3 kW simultaneously to each EV charging station (EVCS) served by the ALMS.”<sup>28</sup>

Notably, the development of CalGreen, including the above language specific to ALM, occurred through considerable stakeholder engagement and due diligence. After vetting the application of ALM, including potential impacts on equity, the stakeholder consensus determined that CalGreen could feasibly promote this ALM approach without risking equity concerns (i.e., namely that drivers’ transportation needs would still be met).

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<sup>26</sup> SB 676 (Bradford, 2019). Public Utilities Code 740.16.(b)(1).

<sup>27</sup> SB 676 (Bradford, 2019). Public Utilities Code 740.16.(e)

<sup>28</sup> Building Standards of the California Department of Housing and Community Development Regarding the 2022 California Green Building Standards Code, California Code of Regulations, Title 24, Part 11. Section 4.106.4.2.2

**iii. Energization timelines as a Commission priority** Promoting ALM can defer or avoid distribution infrastructure upgrades, cutting down on energization timelines not only for customers electing ALM but for those not electing ALM who benefit from the additional available grid capacity that otherwise would have been “used up.” VGIC understands the considerable energization timelines for EVSE to be a high-priority issue for the Commission and posits that ALM can significantly reduce the energization timeline for sites where it makes sense for the customer. Key policy drivers like CARB’s ACC II and the upcoming Advanced Clean Fleets Regulation will require innovative approaches to promoting ALM.

**iv. Ratepayer cost burden and disproportionate impact to low-income customers** The ability of ALM to defer or avoid electrical capacity upgrade costs can benefit all ratepayers under the paradigm of ratepayer-funded EV Infrastructure Rules and ratepayer-funded BTM Funding Cycle. At a time when utility bills are rising and disproportionately impacting low-income customers, VGIC believes ALM could help to partially mitigate the \$2.2 billion in ratepayer burden of the EV Infrastructure Rules expected by 2030.<sup>29</sup> VGIC recognizes that similar claims regarding avoided distribution costs have been made in the past regarding other forms of distributed resources (e.g., solar), but in practice these savings have been difficult to capture. However, VGIC believes that EVSE’s present a “difference in kind” in terms of the practicality of achieving these savings. This is because in each case, EVSE equipment represents a substantial new load addition, not simply a reduction or dampening of existing load. Thus, the deferral opportunities are more easily identified and attributed.

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<sup>29</sup> Reply Comments of Public Advocates Office on AB 841 Implementation. Page 4.  
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M366/K442/366442085.PDF>

**v. Customers have no reason to elect ALM solutions, as demonstrated by VGI Reports** SCE and SDG&E VGI Reports indicate that ALM strategies are not promoted or elected within their service territories. VGIC posits that, due to the structure of the EV Infrastructure Rules and make-ready programs, site hosts do not get an opportunity to realize significant financial upside from ALM, and therefore do not elect these solutions. Furthermore, in some cases ALM can enable customers to more efficiently utilize existing grid infrastructure by fitting EVSE onto existing metering and service lines, rather than installing new ones. This has the added benefit of allowing greater VGI opportunities through co-mingling EV loads with other customer loads. However, to VGIC's knowledge, none of the existing TE rebate programs includes an element that encourages customers to use existing meters and service lines.

**B. The PD's revised ALM definition should not be adopted, and stakeholders should be convened to develop a consensus definition that fits within the vision of SB 676.**

The PD offers no justification for the proposed definition, and, to VGIC's knowledge, did not publicly solicit stakeholder feedback from the VGI community on the development of the new definition. In contrast, the initial definitions adopted in D.20-12-029 were developed following several working group meetings hosted by ED staff and two overlapping comment periods (for a total of four formal comment sets) on VGI topics in Q3 2020. Moreover, the definition does not align with the definition in CalGreen, which defines ALM as: "a system designed to manage load across one or more electric vehicle supply equipment (EVSE) to share electrical capacity and/or automatically manage power at each connection point."<sup>30</sup> Specifically, VGIC is concerned that the proposed definition is not inclusive of upgrades on the customer side of the meter, and questions

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<sup>30</sup> Building Standards of the California Department of Housing and Community Development Regarding the 2022 California Green Building Standards Code, California Code of Regulations, Title 24, Part 11. Chapter 2. Section 202.

how ALM would interact with FC1, which is focused on customer-side upgrades. While there may be merit in implementing an ALM program specific to either customer-side or utility-side upgrades (e.g., separate programs for each), VGIC believes this should be determined in program design, not through the definition. As such, VGIC strongly urges the Commission to consider scoping the issues of (1) definition of ALM and (2) ALM incentive design into the Annual VGI Forum.

In conclusion, VGIC is concerned that the PD's various ALM provisions send a signal to utilities that they need not pursue ALM implementation in earnest, and is at odds with SB 676 and D.20-12-029 more broadly. Notably, D.20-12-029 directed SCE to implement ALM in Charge Ready 2, and D.21-04-014 directed SDG&E to file an Advice Letter to implement ALM in Power Your Drive Extension. In contrast, actions taken in this PD appear to roll back progress on ALM, specifically by revising OPs 5 and 6 in D.20-12-029, sending a mixed signal to SCE and SDG&E on whether or how to encourage ALM as part of ongoing or future TE efforts. Lack of progress on ALM implementation risks increasing infrastructure costs to ratepayers, potentially to the tune of \$2.2 billion.<sup>31</sup>

**V. CONCLUSION.**

Respectfully submitted,



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<sup>31</sup> Reply Comments of Public Advocates Office on AB 841 Implementation. Page 4.  
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M366/K442/366442085.PDF>